

**REMARKS**

In the Office Action mailed August 5, 2008, the Examiner objects to the specification based upon informalities. The Examiner rejects claims 16, 31 and 49 under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 43, 45, 49 and 50 are rejected under 35 U.S.C. 101 as being directed to non-statutory matter. Claims 1 through 12, 14, 15, 17, 19 through 21, 24 through 27, 34 through 36, 42 and 50 are rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Patent No. 6,169,542 to Hooks, et al. ("Hooks"). Claim 16 stands rejected under 35 U.S.C. 103(a) as obvious over Hooks in view of US Patent Publication No. 2003/0130887 to Nathaniel ("Nathaniel") and further in view of US Patent Publication No. 2002/01601609 to Zizzamia, et al. ("Zizzamia"). Claims 18, 22 and 23 stand rejected under 35 U.S.C. 103(a) as obvious over Hooks in view of US Patent Publication No. 2002/0087980 to Eldering, et al. ("Eldering"). Claims 28 through 31, 33, 37 through 41, 43 through 49, 52 and 53 stand rejected under 35 U.S.C. 103(a) as obvious over Hooks in view of US Patent No. 6,941,573 to Cowan, et al. ("Cowan"). Claims 32 and 41 stand rejected under 35 U.S.C. 103(a) as obvious over Hooks in view of US Patent Publication No. 2003/0154128 to Liga, et al. ("Liga").

Claims 1 through 12, 14 through 50, 52 and 53 are currently pending in the present application, with claims 1, 24, 34, 43, 45, 49 and 50 being independent claims. By way of the present Response, Applicants hereby amend claims 16, 31 and 49 in order to correct claim dependencies. No new matter has been added and the amendments are supported by the specification as originally filed. For at least the

reasons set forth below, Applicants respectfully submit that all pending claims are allowable and respectfully request withdrawal of the rejection of claims 1 through 12, 14 through 50, 52 and 53.

The Examiner objects to the specification on the basis of certain informalities. Applicants hereby amend the specification in accordance with the Examiner-noted informalities. Specifically, Applicants amend paragraphs 42, 65, 66 and 115 to remove reference to hyperlinks contained within those paragraphs. In view thereof, withdrawal of the objection regarding the specification improperly containing an embedded hyperlink and/or other form of browser executable code under MPEP § 608.01 is respectfully requested.

Claims 16, 31 and 49 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. With respect to claim 16, the Examiner asserts that the element “the external targeting system” lacks sufficient antecedent basis. By way of the present Amendment, Applicants have amended claim 16 to recite that dependency stems from claim 15 in order to overcome the Examiner’s objection to claim 16. With respect to claim 31, the Examiner asserts that the element “the segmenting” lacks sufficient antecedent basis. By way of the present Amendment, Applicants have amended claim 31 to recite that dependency stems from claim 29 in order to overcome the Examiner’s objection to claim 31.

The Examiner further asserts that the element “the programming content” in line 10 of claim 49 lacks antecedent basis. Applicants respectfully direct the Examiner’s attention to lines 5 and 6 of claim 49 that recites “segmenting the program

into programming content, national advertising and local advertising,” which provides the proper antecedent basis for the “the programming content” in line 10 of claim 49. The Examiner further asserts that the claim element “the program advertising zone” at line 11 of claim 49 lacks antecedent basis. By way of the present Amendment, Applicants have amended claim 49 to recite “a program advertising zone” at line 11 of the aforementioned claim to provide antecedent basis. In view thereof, withdrawal of the rejection of claims 16, 31 and 49 under 35 U.S.C. 112, second paragraph, is respectfully requested.

Claims 43, 45, 49 and 50 are rejected under 35 U.S.C. 101 as being directed to non-statutory matter. Specifically, the Examiner asserts that a method/process claim requires either being tied to another statutory class of invention or a transformation of underlying subject matter to a different state or thing, which the Examiner asserts that claims 43, 45, 49 and 50 fail to satisfy. 35 U.S.C. 101 defines four categories of inventions that Congress deemed to be the appropriate subject matter of a patent: processes, machines, manufactures and compositions of matter. As the Examiner concedes, claims 43, 45, 49 and 50 are directed to methods/processes, which are defined as "actions" under §2106.01(IV)(A) of the MPEP. The Examiner attempts to limit the scope of patentable methods/processes, despite the recitation in the MPEP that,

... a complete definition of the scope of 35 U.S.C. 101, reflecting Congressional intent, is that any new and useful process, machine, manufacture or composition of matter under the sun that is made by man is the proper subject matter of a patent. MPEP §2106.01(IV)(A)

Furthermore, § 2106.01(IV)(A) states that the “subject matter courts have found to be outside of, or exceptions to, the four statutory categories of invention is limited to abstract ideas, laws of nature and natural phenomena.” In the cases where such judicial

exceptions are found, patent protection is available when there exists a practical application of the judicial exception, such as when the judicial exception “(A) ‘transforms’ an article or physical object to a different state or thing; or (B) otherwise produces a useful, concrete and tangible result . . . “

In the present application, claims 43, 45, 49 and 50 are, as the Examiner concedes, method/process claims falling within the scope of 35 U.S.C. 101, which as the MPEP states, reflects Congressional intent. 35 U.S.C. 101, neither on its face, nor as described under § 2106.01 of the MPEP, requires a tie to another statutory class or a transformation as the Examiner contends. Instead, 35 U.S.C. 101 requires a new and useful process, which is what is being claimed in claims 43, 45, 49 and 50 as new and useful methods for delivering advertising. In addition, claims 43, 45, 49 and 50 do not fall outside of the statutory categories of invention, such as the judicial exceptions to 35 U.S.C. 101, i.e. abstract ideas, laws of nature and natural phenomena, which in any event are patentable subjects according to § 2106.01 of the MPEP, so long as there is a practical application.

Just as abstract ideas, laws of nature and natural phenomena are considered patentable subject matter if they (i) transform an article or physical object to a different state or thing or (ii) otherwise produces a useful, concrete and tangible result, so too does the methods/processes of claims 43, 45, 49 and 50 constitute patentable subject matter. As one skilled in the art would recognize, as per the standard of 35 U.S.C. §112, paragraph 1, claims 43, 45, 49 and 50 produce a useful, concrete and tangible result, namely the delivery and transmission of advertisements to a client.

Furthermore, Applicants note that claims 43, 45, 49 and 50 are each directed to a “method for delivering local advertising to a client in a video distribution system.” Under the Examiner’s interpretation that a method/process claim must (i) be tied to another statutory class of invention, such as a particular apparatus, or (ii) transform underlying subject matter to a different state or thing, Applicants respectfully assert that claims 43, 45, 49 and 50 indeed satisfy such requirements. Specifically, claims 43, 45, 49 and 50 satisfy the proposed statutory requirement of being tied to another statutory class of invention, such as a particular apparatus. As previously presented, claims 43, 45, 49 and 50 are each directed to a method implemented “in a video distribution system.”

A video distribution system is clearly an apparatus in the sense of the proposed statutory requirement of another class of invention. As is known in the art, a video distribution system comprises hardware components. Accordingly, Applicants assert that as independent claims 43, 45, 49 and 50 involve “a video distribution system,” they are clearly tied to another statutory class of invention and satisfy the proposed statutory requirements of 35 U.S.C. § 101 for patentable subject matter. In view thereof, withdrawal of the rejection of claims 43, 45, 49 and 50 under 35 U.S.C. 101 is respectfully requested.

Claims 1 through 12, 14, 15, 17, 19 through 21, 24 through 27, 34 through 36, 42 and 50 stand rejected under 35 U.S.C. §102(b) as being anticipated by Hooks. Applicants respectfully disagree because, as described in further detail below, Hooks fails to identically disclose all of the claimed elements recited herein.

Claim 1 is directed to a system for creating a program for delivery to a client in a video time shifting architecture. The system comprises an advertisement

selection system (ADS) operative to select one or more advertisements according to a targeted algorithm and transmit one or more identifiers that uniquely identify the selected advertisements and an advertisement management system (AMS) operative to generate a playlist that identifies content, including a user requested time shifted program and the one or more selected advertisements. A video server is operative to interpret the playlist and deliver the content to the user.

Hooks discusses an interactive video distribution system that includes multiple subscriber units 22. The head end facility 54 generates a multi-media presentation, e.g. a television show, which includes an advertising segment. Hooks discusses the integration of a “first advertisement 40” and a “second advertisement 42” that are inserted into the “full motion program 36.” (Hooks, Col. 4, lines 54-65). The ads are transmitted during an advertisement break 43 of the full motion program 36. (Hooks, Col. 4, lines 60-65). The interactive video subscriber units 22 include the set-top box 94 coupled to the video distribution mechanism 56. (Hooks, Col. 7, lines 59-63). Through user interaction, the user can request additional information during one of the advertisements. An example of this is Fig. 4 illustrating the “i” logo 108 on the screen, which indicates the ad as being interactive and allowing a user to register the ad in the advertisement menu 92. The menu is “customized for the specific subscriber in response to the subscriber’s registration request.” (Hooks, col. 9, lines 46-47). As illustrated in the flowchart of Fig. 7, the subscriber may then be presented with the follow-up information, such as the exemplary interactive menu of Fig. 9. Thus, the user can interact with the follow-up information based on an original selection of the earlier interactive advertisement.

Contrary to the Examiner's contention, Hooks fails to disclose each and every element of independent claim 1, including, "an advertisement selection system (ADS) operative to select one or more advertisements according to a targeting algorithm." In support of the rejection of the aforementioned claim element, the Examiner again asserts that Hooks' discussion of an "editing facility 28 [that] generates advertisements or receives pre-recorded advertisements which are inserted into the original program during predetermined breaks in the original program" (Hooks, Col. 4, lines 9-12) discloses the selection of advertisement according to a targeting algorithm. As presented previously, however, the Examiner's reliance upon this specific portion of Hooks fails to teach or suggest the claimed element of an ADS "operative to select one or more advertisements according to a **targeting algorithm**." (emphasis added). More specifically, the method of Hooks, which consists of simply inserting advertisements into a program, does not disclose the selection of such advertisements or the process by which the selection is accomplished and does not teach or suggest utilizing a targeting algorithm as claimed.

In the Response to Arguments, the Examiner relies on Hooks' discussion of menus in a menu database that are customized for a specific subscriber in response to the specific subscriber's registration requests (Hooks, Col. 9, lines 45-47) as disclosing the claimed "advertisement selection system (ADS) operative to select one or more advertisements according to a targeting algorithm." The Examiner's reliance upon the specific portion of Hooks, however, fails to disclose the aforementioned claimed element, as the customization of menus in response to a user's requests is simply not analogous to selecting targeted advertisements using the targeting algorithm. The customization of

menus discussed in Hooks is accomplished by adding and removing entries in response to a user's request, but does not disclose a targeting algorithm that is used to select advertisements. At best, Hooks discloses using a user's input to perform steps on a menu, which is not the same as using a targeting algorithm as presently claimed. Accordingly, on the basis of the foregoing, Applicants respectfully assert that pending independent claim 1 is allowable over Hooks and request allowance regarding the same.

Independent claim 24 is directed to a method for delivering local advertising to a client in a video distribution system. The method of claim 24 comprises performing an action that invokes a request for a program and collecting information regarding the request. A playlist utilizing a correctly zoned local advertisement and the requested program is generated and the correctly zoned local advertising and program is delivered to a client for decoding and playback. Independent claim 34, which is directed to a system, comprises substantially similar elements to those comprising independent claim 24.

Hooks fails to disclose each and every limitation of independent claim 24, specifically "generating a playlist utilizing a correctly zoned local advertisement and the requested program." In support of the rejection, the Examiner asserts that the discussion in Hooks of allowing a subscriber to selectively obtain supplementary advertisement information related to a viewed advertisement in the form of links to data stored in memory at the head end facility, hyperlinks to the Internet, and purchase option capability (Hooks, Col. 14, lines 32-37) discloses "generating a playlist utilizing a correctly zoned local advertisement and the requested program." The ability to obtain supplementary advertising information such as data, hyperlinks or purchase option



capability is not the same as the claimed playlist, which contains both programming and correctly zoned local advertisements. Furthermore, although the Examiner asserts that immediate feedback from the interactive video subscriber in Hooks fulfills the requirement for correctly zoned local advertisements, the relied upon portions in Hooks fails to disclose that the type of advertisements are locally zoned advertisements and further fails to disclose the steps to deliver such specific advertisements. The fact that an interactive video subscriber provides immediate feedback simply has no connection to **correctly zoned local advertisements**. Accordingly, Applicants respectfully assert that pending independent claims 24 and 34 are allowable over Hooks and request allowance regarding the same.

Independent claim 50 is directed to a method for delivering local advertising to a client in a video distribution system. The method comprises receiving a playlist identifying programming and advertising information and transmitting video data identified in the playlist to a client operative to decode and display the video data. A control command is received from the client and the playlist is modified in accordance with the control command, wherein the advertising information identified in the playlist is updated. Video data identified in the modified playlist is transmitted to the client.

Hooks fails to disclose each and every element of independent claim 50, specifically “modifying the playlist in accordance with the control command, wherein the advertising information identified in the playlist is updated.” In support of the rejection of claim 50, the Examiner relies upon Hooks’ discussion of a processor that provides a control data output to a VCR player and a data output that provides a video still image to a digital media server element of a video server, where the video server multiplexes the

two inputs with other optional video inputs. (Hooks, Col. 7, lines 1-15). The ability of a video server to multiplex video images, however, fails to disclose updating advertising information in a playlist as a result of the receipt of a control command received from the client, as multiplexing video images does not involve the active step of updating. Rather, as Hooks discloses, multiplexing is solely directed to combining video inputs. Applicants also note that the relied upon portion of Hooks makes no mention of advertisement information in discussing multiplexing of video images. Furthermore, Hooks fails to disclose that the multiplexing of video images is the result of a control command generated by a client as claimed. Hooks simply fails to disclose the update of advertising information as a result of a client interaction. Accordingly, Applicants respectfully assert that pending independent claim 50 is allowable over Hooks and request allowance regarding the same.

Claims 28 through 31, 33, 37 through 41, 43 through 49, 52 and 53 stand rejected under 35 U.S.C. 103(a) as obvious over Hooks in view of Cowan. Independent claim 43 is directed to a method for delivering local advertising to a client in a video distribution system. The method according to independent claim 43 comprises receiving multiple zoned copies of a given program, each zoned copy containing proper local advertising for a given zone, recording a properly zoned copy of a given program for each zone the video distribution system services and determining the zone in which the client requesting a program is located. A properly zoned copy of the requested program is transmitted to the client.

Independent claim 45 is also directed to a method for delivering local advertising to a client in a video distribution system. The method according to claim 45

comprises creating a playlist with an identifier for a given program and one or more national advertisements, determining the zone in which a requesting client resides and adding identifiers for one or more local advertisements to the playlist based on the determined zone. The playlist is delivered to a video server.

Similarly, claim 49 is also directed to a method for delivering local advertising to a client in a video distribution system and recites the elements of receiving a copy of a given program for each zone that the video distribution system services, segmenting the program into program content, national advertising and local advertising and retaining the program content and discarding the national and local advertising. The method of claim 49 further recites receiving a request for the program from a client in a given zone, creating a playlist identifying the programming content, calculating a program advertising zone in which the requesting client resides and adding identifiers for advertising to the playlist based on the zone in which the client resides. The playlist is delivered to a video server.

The Examiner concedes that the Hooks fails to teach or suggest the elements of independent claim 43, 45 and 49 relating to zones and relies upon Cowan in support of all claim elements of independent claims 43, 45 and 49 relating to zones. Specifically, the Examiner relies upon Cowan's discussion of substitute advertising, which the Examiner describes as "signals based on consumer demographics [that] are distributed to separated zones of a community and that when a test is performed in which substitute advertising is transmitted to particular zones, the consumer purchase data from the selected stores of the market study area is collected." (Office Action 8/05/2008, pg. 33, lines 16-19). The Examiner continues by stating that such signals are in the form of

advertisements based on consumer demographics that are distributed to separated zones.  
(Office Action 8/05/2008, pg. 34, lines 3-6).

Applicants respectfully assert that the Examiner is misconstruing the discussion of Cowan relating to substitute advertising as constituting the transmission of advertising based on demographic data. Cowan does not discuss that specific types of advertising targeted to a specific locale or zone are transmitted to the specific locale or zone. Instead, Cowan states,

Based on consumer demographics and the distribution of stores in each zone, particular stores are selected to be representative of the community. . . . The significance of the substitute advertising can then be determined by comparing consumer purchase data collected from selected stores associated with zones receiving the substitute advertising with consumer data collected from selected stores associated with zones receiving normal advertising. (Cowan, Col. 4, lines 21-40).

As demonstrated from this excerpt, (which the Examiner relies upon in the instant rejection of claims 43, 45 and 49) Cowan discusses a process whereby test stores are established based on demographic data and advertising is submitted to these test stores in order to perform a comparison of consumer purchase data. The process of Cowan, however, simply does not describe properly zoned local advertising, as the advertising that is transmitted in Cowan is not selected on the basis of demographic data. Therefore, Cowan does not teach or suggest any of the claim elements of independent claims 43, 45 or 49. Specifically, Cowan fails to teach or suggest at least “receiving multiple zoned copies of a given program, each zoned copy containing proper local advertising for a given zone”, “recording a properly zoned copy of a given program for each zone the video distribution system services”, “determining the zone in which the

client requesting a program is located” or “transmitting a properly zoned copy of the requested program to the client.”

Cowan’s comparison of purchase data from stores in different zones is simply not analogous to the receipt and subsequent recording of different versions of a given video program according to a zone, nor is it analogous to a determination of a zone or area of where a requesting client is located and transmitting a properly zoned video program to that zone. Specifically, the data Cowan discusses relates to the comparison of the purchase activity of consumers at selected stores in order to determine the significance of substitute advertising. By contrast, the presently claimed invention is directed to creating a playlist that contains a program and specific advertising content based upon the zone in which the client is located. At best, Cowan discusses a comparison of consumer purchase data, which fails to teach or suggest any of the elements of independent claims 43, 45 or 49 regarding video programming with respect to zones. Accordingly, Applicants respectfully assert that pending independent claim 43, 45 and 49 are allowable over Hooks and Cowan, and request allowance regarding the same.

The dependent claims of the present application contain additional features that further substantially distinguish the invention of the present application over Hooks, Cowan and the prior art of record. Given the Applicants’ position on the patentability of the independent claims, however, it is not deemed necessary at this point to delineate such distinctions.

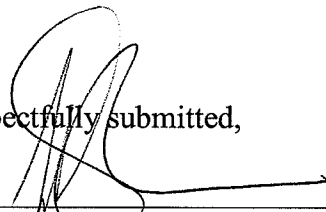
For at least all of the above reasons, Applicants respectfully request that the Examiner withdraw all rejections, and allowance of all the pending claims is

respectfully solicited. To expedite prosecution of this application to allowance, the Examiner is invited to call the Applicants' undersigned representative to discuss any issues relating to this application.

Date: October 22, 2008

THIS CORRESPONDENCE IS BEING  
SUBMITTED ELECTRONICALLY THROUGH  
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Respectfully submitted,



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Jeanpierre J. Giuliano  
Reg. No. 55,206  
DREIER LLP  
499 Park Avenue  
New York, New York 10022  
Tel : (212) 328-6100  
Fax: (212) 328-6101

***Customer No. 61834***